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August 8, 2012

Via CM/ECF Filing

Honorable William J. Martini
United States District Court
for the District of New Jersey
Martin Luther King, Jr., Federal Building
and Court House
50 Walnut Street
Newark, New Jersey 07102

Re: ***JPMorgan Chase Bank, N.A. v. Republic Mortgage Ins. Co., et al.***
Civil Action No. 2:10-CV-06141 (WJM) (MF)

Dear Judge Martini:

As counsel for Defendants Republic Mortgage Insurance Company and Republic Mortgage Insurance Company of North Carolina ("RMIC"), we write to advise the Court of developments in the above-referenced case applicable to RMIC's pending Motion to Enjoin or Stay Arbitration ("Motion") and the Court's July 10, 2012 Order.

As described in RMIC's Motion, on May 25, 2012 after eighteen months of ongoing litigation conduct before this Court, Plaintiff JPMorgan Chase Bank, N.A. ("Chase") submitted its Demand for Arbitration and Statement of Claims ("Demand") with the American Arbitration Association ("AAA"), and sought interpretation of the master policy form language applicable to all policies in this action (the "Chase Arbitration"). In its Motion, RMIC requests that this Court enter an Order: (i) finding that Chase has waived its right to arbitrate through its litigation conduct; and (ii) enjoining Chase from proceeding with Case No. 13 195 01260 12 before the American Arbitration Association, or, in the alternative, staying the arbitration until a final judgment is entered in the instant action. The parties completed briefing on the Motion on July 6, 2012.

On August 6, 2012, Sharon Durkin, Manager of ADR Services, AAA, issued further instructions to attorneys for Chase and RMIC in the Chase Arbitration. Enclosing a list of proposed arbitrators, Ms. Durkin directed the parties to confer and agree upon an arbitrator or, in the absence of agreement, to submit objections to and rankings of the arbitrator

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candidates to the AAA on or before August 21, 2012. Ms. Durkin further alerted the parties that, “[u]pon appointment of the arbitrator a preliminary hearing will be set.” As new deadlines approach in the Chase Arbitration, RMIC suffers further and substantial prejudice as a result of Chase’s ongoing prosecution of a duplicative dueling action before an alternate decision maker. For example, per the Court’s July 10, 2012 Order, Chase recently provided RMIC with its Revised Exhibit A to the Second Amended Complaint. In that exhibit, Chase resurrected numerous certificates previously abandoned by Chase and included certificates insured by additional unspecified master policies not identified in the Second Amended Complaint. Thus, this action now yields further opportunities for overlapping factual findings and legal rulings by this Court and a AAA arbitrator in the Chase Arbitration.¹ Therefore, RMIC respectfully requests that this Court grant RMIC’s Motion and enter an order enjoining the Chase Arbitration, or at a minimum, staying the Chase Arbitration pending further consideration by this Court.

Respectfully submitted,

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.

s/ Arianna Frankl

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ACF:ml

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¹ Following Chase’s submission of its Revised Exhibit A to the Second Amended Complaint, RMIC identified a number of issues with and inaccuracies in the exhibit. Chase is currently investigating RMIC’s concerns, and Chase and RMIC are scheduled to confer on the Revised Exhibit A on Wednesday, August 15, 2012. The parties have deferred discussion of proposed discovery approaches pending resolution of the Revised Exhibit A issues.